

**KEYNOTE ADDRESS BY SENIOR DEPUTY DIRECTOR,
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FOR MERCHANT EDUCATION INITIATIVE ON ONLINE FRAUD
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PCC AUDITORIUM**

Chairman, Singapore Card Security Group
Distinguished Guests,
Ladies and Gentlemen,

Good morning,

Thank you for attending this Merchant Education Initiative. It is my pleasure to officiate the opening of this event and to deliver the keynote address.

2 This merchant education initiative, focused on online credit card fraud, is the fifth event jointly organized by the Commercial Affairs Department of the Singapore Police Force and the Singapore Cards Security Group. This program was first launched in 2003 to provide insight to the industry and merchants of the challenges posed by credit card fraud, so that information sharing and concerted action can lead to formulation of strategies to combat this crime.

LIVING IN A WORLD OF TECHNOLOGY

3 More and more e-commerce merchants will rely on information and communication technologies (ICT) for business. We cannot avoid it. Electronic payment is now an integral part of daily life. The use of credit cards for electronic payment, for example, has revolutionised consumer spending and propelled the growth of e-commerce. No doubt, the internet is filled with opportunity and new business horizons. But the internet is anonymous and dangerous terrain for our vulnerable e-merchants who now suffer the scourge of cyber crime.

CHALLENGES

5 Fierce business competition may pressure us to be less cautious so that we can offer goods and services at ever lower cost and in novel ways. But in doing so, we may be blind to the risks of exposing ourselves to cyber criminals who are IT-savvy, highly organized and operate across international borders.

6 E-merchants have to reach out to clients globally. This is the new frontier. It affects the bottom line more and more. But going global and crossing national borders, can also mean we may be helpless when the fraudster strikes. Cross border crime is difficult to prevent, detect and prosecute. The faceless and global nature of e-commerce is an enormous challenge to law enforcement agencies.

8 What do we need to fight cyber-crime and the new crimes of the globalised business world? The way to deal with cyber-criminals cannot be the old school reactive response to crime. Granted, law enforcement agencies will still have a reactive stance, but more so we have to be pro-active. A law enforcement agency must be able to deal with the quick-changing nature of cyber-crime by employing an equally nimble and speedy response. The key to such an approach is the timely sharing of full information with fellow agencies and industry partners and the consequent building of mutual understanding and shared purpose. Only then can concerted action plans and a total response be formulated to counter cyber crime and the new crimes of the globalised business world.

9 Robust enforcement action is not enough. There are other ways to prevent and detect fraud, especially in crime prevention. None of us can work in isolation. The commercial sector and law enforcement agencies have a crucial role to play in encouraging a crime prevention mindset. We must recognize that community participation is critical in combating e-commerce fraud. For this reason, we have organized many crime prevention initiatives and roadshows to engage the community and raise public awareness of the current fraud situation.

CAD has formed a successful partnership with the Card Security Group to fight credit card fraud through concerted action in public education and enforcement action. Singapore's reputation for having the lowest credit card fraud in this region is not achieved by chance. I

give credit to the CSG and to our hardworking CAD investigation officers for the achievement. By pooling our resources and working in unison, we have helped e-commerce merchants operate with relative peace of mind in Singapore.

COMMUNITY EFFORTS

10 This year, the Commercial Affairs Department and the Singapore Card Security Group will jointly organise a series of merchant education programs to be held in Singapore between April and October 2006, targeting more than 1,400 merchants, who are retailing online and high-risk products. Today's event is the first in the series to be held.

11 This morning, Risk Management Experts from VISA International and MasterCard International will share their expertise and available tools to tackle online credit card frauds and preserve card account integrity. DSP Mak Kum Kay, the Head of the Financial Fraud Branch in CAD, will also provide an enforcement perspective on the issue. There will also be a mini-exhibition by CAD and relevant vendors, showcasing prevention tips for credit card crimes and online scams, and possible IT solutions.

CONCLUSION

12 In our desire to grow our businesses and to maximize profits, we can never let down our guard against fraudsters.

Technology is ever advancing and business must adapt to the changing environment. Change creates new opportunities for business and criminal alike. Cyber-crime will always pose new challenges to the E-commerce industry and we must meet the threat with a unified front.

13 While there is no sure-fire crime prevention strategy, a strong partnership of e-commerce players and law enforcement agencies will strengthen the resolve and effort to fight fraud. This shall be our response against fraud: close liaison and sharing of information among law enforcement agencies, financial institutions and merchants; adoption by the merchant community of preventive measures; and consumer education. Moving together we can make a difference.

14 I wish all of you an insightful and enriching deliberation of the issues to be discussed. Thank you.